



PT. PELAYARAN NASIONAL
BINA BUANA RAYA Tbk

Jakarta, August 18, 2020

No. Ref: 013/BBR-JKT/VIII/2020

Dear,
PT Bursa Efek Indonesia
Indonesia Stock Exchange Building Tower 1 - Lt. 6
Jl. Jenderal Sudirman Kav. 52-53
Jakarta 12190

Up. Direktur Pencatatan dan Penilaian Perusahaan

Subject : Disclosure of Information of Plan / Progress of Improvement of Conditions that Cause Suspension

With respect,

We hereby for and on behalf of the Company submit the following Information or Material Facts as below:

Name of Issuer : PT Pelayaran Nasional Bina Buana Raya Tbk
Business Field : Shipping
Telephone : 021 - 29529461
Fax : 021 - 29529462
Email Address : corpsec@bbr.co.id

1	Date of Occurrence	August 12, 2020
2	Type of Information or Material Facts	Plan / Progress of Improvement of Conditions that Cause Suspension
3	Description of Information or Material Facts	<p>As stated in the Information Disclosure submitted by the Company on August 13, 2020, that CIMB Bank Berhad (hereinafter referred to as "CIMB") and Malayan Banking Berhad (hereinafter referred to as "Maybank") have asked the has notified the Company that it requires the transfer of all the rights, title and interest in its Mortgaged Vessels to their nominee(s). If the transfer of the rights, title and interest of the Mortgaged Vessels transferred to the nominee(s), then all credit facility balances to Maybank will be deemed as fully paid.</p> <p>Meanwhile, with 2 other banks, namely DBS Bank Ltd. (hereinafter referred to as "DBS") and United Overseas Bank Ltd. (hereinafter referred to as "UOB"), the Company is still in the negotiation stage with the following plans:</p> <ol style="list-style-type: none">With UOB there will be 1 out of 2 vessels that are requested to be transferred to the nominee(s), then all credit facility balances to UOB will be deemed as fully paid, same as the settlement schemes with CIMB and Maybank. Meanwhile, the debt for the other 1 vessel will be transferred to the Marcopolo Group, the main shareholder entity of the Company (hereinafter referred to as "Marcopolo").



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ii. With DBS there will be a further restructuring agreement to settle the existing loan facility balance through the pledged asset disposal program.

For vessels to be transferred to the nominee(s) in accordance with the loan settlement scheme, the Company will arrange so that no vessel is currently working or is bound by a charter contract, but it must be transfer to the buyer and results in possible demands from the charterer.

In relation to the latest developments in the operational conditions of the Company and its Subsidiaries, for the first semester of 2020, the average vessel utilization for the offshore support vessel segment and the tugboat and barge segment of the Company was 75% and 36%, respectively, with total revenue amounting to USD7.4 million, and a net loss of USD1.5 million, slightly improving compared to the 2019 loss of USD2.9 million.

The following are the Company's efforts/strategies/plans in order to restore the Company's going concern for 2020 and 2021:

Kuartal	Upaya/Strategi/Rencana
3rd year 2020	<ul style="list-style-type: none"> Completed restructuring agreements with DBS and UOB Transfer the vessels to the buyer so the debt to the banks on the vessels is paid off
4th year 2020	<ul style="list-style-type: none"> Settled a debt obligation to DBS by selling assets Exploring the purchase of 1-2 units of offshore support vessels for which payment can be made in debt securities, the repayment of which is made at the time the Company makes Capital Increase with Pre-emptive Rights (PMHMETD) as referred to in Regulation No. 32/POJK.04/2014 to strengthen existing business segments and replace vessels being sold
1st year 2021	Strengthening capital by inviting the Company's shareholders and/or strategic investors to increase capital through PMHMETD

In addition, the Company continues to strive to obtain short-term contracts and contracts from abroad for offshore support vessels at a time when the oil and gas business situation has not improved. And on an ongoing basis, the Company continues to carry out cost efficiency programs for all of the Company's business lines.

To date the restructuring settlement with creditors, there have been no significant obstacles, including the settlement of the agreement between the Company and DBS and UOB.



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		<p>The obstacles that will be faced by the Company are after all the restructuring processes are completed, which is targeted for the third quarter of 2020, in which the Company feels the need to strengthen capital and replace vessels transferred in the restructuring process. With current conditions, support from banks is still considered difficult, so support from shareholders is the most likely and easy option to do, so the Company plans to implement PMHMETD.</p> <p>And in accordance with the current financial position of the Company, the book value after the restructuring is below the nominal value of the shares, furthermore related to the terms of share trading on the Indonesia Stock Exchange Number II-A concerning Equity Securities Trading, the new shares must also be traded apart from being listed on the Indonesia Stock Exchange. For this reason, when the Company intends to issue shares with a nominal value in accordance with the book value of the Company and to attract shareholders and / or investors to participate in the implementation of the capital increase, the Company must first conduct a reverse stock before being able to implement PMHMETD.</p> <p>Currently, the Company continues to coordinate with the Indonesia Stock Exchange and the Financial Services Authority for the possibility of PMHMETD and reverse stock.</p> <p>The ultimate shareholder of the Company is currently the Latip family, where they have direct shares in the Company amounting to 17.76% through the ownership of PT Sinar Bintang Makmur which is 100% owned by them. In addition, they are also the controllers of Marcopolo Marine Ltd., Singapore, where one of its subsidiaries, PT Marcopolo Indonesia, owns 34.80% of the Company's shares. And until now, the ultimate shareholder of the Company is still committed to supporting the Company's business activities.</p> <p>At this time, there are no other material information/facts/events that have not been disclosed. And if there is later, the Company will conduct information disclosure in accordance with applicable regulations.</p>
4	<p>The impact of such occurrence, information or material facts on the operations, laws, financial condition, or business continuity of the issuer</p>	<p>Impact of Operational Activities Currently, there is no impact on operational activities. However, if the Company's vessels which are pledged as collateral to the Creditors are handed over to the buyer, this will result in a decrease in rental income. On the other hand, the Company's direct expenses will also be reduced, especially depreciation costs, and interest expenses due to loans to creditors will be recognized in full.</p> <p>Impact of Financial Condition The total net book value of vessels pledged to creditors as of July 31, 2020 is around USD50.3 million. By transfer these vessels to the nominee(s), all debts to creditors amounting to USD41.8 million as of</p>



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		<p>July 31, 2020 will be recognized as being paid off. In the end, the Company will record a loss on the disposal of these assets amounting to USD 8.5 million.</p> <p>Impact of Laws Currently no impact on the law has occurred. However, if the vessel is transferred at the time the vessel is chartered, it will cause potential claims from the charterer.</p> <p>Impact of Business Continuity There is no significant impact on the Company's business continuity. If all the vessels pledged as collateral to the Creditors are handed over, the Company's assets will decrease by about 69%. But on the other hand, the Company's debt will also be reduced by around 74% because the debt to creditors will be recognized as being paid off. In the end, the Company will continue to operate with 1 offshore support vessel which is guaranteed to shareholders, and 4.5 sets of tugboats and barges and 1 unit of selfpropelled barge which is free of collateral.</p>
5	Other information	-

Thus to be informed accordingly. Thank you for your kind attention.

Best regards,
PT Pelayaran Nasional Bina Buana Raya Tbk



Sufisan
Corporate Secretary